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# A BILL FOR AN ACT

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RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

SECTION 1. Section 88-103.7, Hawaii Revised Statutes, is amended to read as follows:

"[~~§~~88-103.7~~]§~~ Information from the State and counties.

(a) To fulfill its responsibilities under this chapter, the system [~~may~~] shall require any department or agency of the State or counties to furnish information to the system to carry out the purposes of this chapter. The system [~~may~~] shall specify the format in which the information shall be furnished. Without limitation of the foregoing, the system [~~may~~] shall require that information be furnished in electronic format and that information with respect to payroll and personnel transactions:

- (1) Allocate payments, including bonuses, salary adjustments, payments for compensatory time, and workers' compensation, to monthly or other periods as requested by the system; [~~and~~]
- (2) Specify the purpose or nature of the payment [~~-~~]; and
- (3) Indicate any changes or errors in payments that require correcting or updating.



1        (b) All departments and agencies of the State or counties  
2   shall furnish the information required by the system pursuant to  
3   this section in the format required by the system. The system  
4   shall notify each department or agency of the State or counties  
5   that is required to furnish information to the system of any  
6   change in the required format for the information. Each  
7   department or agency shall have one hundred eighty days from the  
8   date of the receipt of the notice of a change in the required  
9   format to update the format in which the required information is  
10   provided to the system.

11       (c) If a department or agency of the State or county fails  
12   to furnish the system with the information required pursuant to  
13   this section in the format required by the system, the State or  
14   county shall pay to the system, on the first day of the fiscal  
15   year following the fiscal year in which the failure to furnish  
16   the required information occurred, an amount equal to the  
17   employer contributions payable by the State or county, relative  
18   to the department or agency that is not in compliance with this  
19   section, during the fiscal year in which the failure to furnish  
20   the required information occurred. This amount shall be applied



1 to contributions required under section 88-124 for the State and  
2 section 88-126 for the counties.

3 (d) If full payment of the amount required under  
4 subsection (c) is not made by the State or county on the first  
5 day of the fiscal year, then:

6 (1) Any unpaid amounts shall bear interest at the rate  
7 equal to the investment yield rate assumption in  
8 effect for actuarial valuations of the system; and

9 (2) Any payments received by the system for the State or  
10 county, except for payments made pursuant to sections  
11 88-46, 88-100, and 88-326, shall be applied first to  
12 accrued interest and then to the amount required to be  
13 paid under subsection (c).

14 (e) The system may waive the requirements of subsections  
15 (c) and (d) if the system determines, in its sole discretion,  
16 that the failure by the department or agency to furnish the  
17 required information in the required format is the result of an  
18 unforeseen system failure, natural disaster, or other unforeseen  
19 event.

20 (f) The system shall annually submit to the department of  
21 budget and finance and the legislature, not later than twenty



1 days prior to the convening of each regular session, a report  
2 that details the following for the current fiscal year:

- 3       (1) Any department or agency of the state or counties that  
4       failed to comply with this section; and  
5       (2) Any amounts required to be paid under subsection (c),  
6       including the anticipated amounts payable in the  
7       upcoming fiscal year, and identification of any state  
8       budget programs that may be affected."

9       SECTION 2. The employees' retirement system shall submit  
10 to the legislature reports on the progress of state and county  
11 departments and agencies in their efforts to comply with section  
12 88-103.7, Hawaii Revised Statutes, as amended by this Act, by  
13 July 1, 2020. The reports shall be submitted at least twenty  
14 days prior to the convening of the regular sessions of 2016,  
15 2017, 2018, 2019, and 2020.

16       All state and county departments and agencies shall  
17 cooperate with the employees' retirement system when the system  
18 makes reasonable requests for information.

19       SECTION 3. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.



1       SECTION 4. This Act shall take effect on July 1, 2020;  
2   provided that section 2 shall take effect upon approval.



**Report Title:**

Employees' Retirement System; Payroll and Personnel Transactions

**Description:**

Requires State and counties to furnish payroll and personnel transaction information to the Employees' Retirement System in the required format. Requires the State or county to pay to the system in a lump sum at the beginning of the fiscal year the amount equal to the employer contributions payable by the department or agency, if a department or agency fails to provide the information in the required format. Requires unpaid amounts to bear interest. Requires the Employees' Retirement System to submit annual progress reports. Effective date 7/1/2020. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

